

**Remarks by Skila Harris, Director
Tennessee Valley Authority
to the Financial Analyst and Investor Meeting
March 24, 2000 ³/₄ New York, New York**

Thank you Chairman. I am pleased to be here today in the business capital of the world to talk to you about the Tennessee Valley Authority.

Early last year when I was approached about becoming a Director I was well aware of the tremendous opportunities and challenges facing TVA in a restructured electricity market. In fact, tackling the complicated and uncertain times ahead was a big part of what made this job so appealing to me. As the Chairman mentioned, for the past quarter of a century I have either been a student of or a participant in the energy industry. These times have been marked by regulation, deregulation and reregulation. There have been times of boom. There have been times of bust, and there have been times of pretty ho-hum steady state operations.

It has been my experience just as in every other industry that not all companies have what it takes to adapt and thrive during periods of change. But the ones that have succeeded share several qualities that we also share at TVA. TVA has a history of adapting to change. Over its 67 years it has fulfilled the mission of the Tennessee Valley Authority Act by evolving. For example, TVA played a leadership role in bringing agricultural prosperity to the Tennessee Valley through its development of fertilizers. Now a mature industry TVA is out of the fertilizer business, but its contribution is recognized and respected throughout the world.

Another example is TVA's historical support of national security. The electricity it generated powered the Manhattan Project and today under a contract with the U.S. Department of Energy we stand ready to produce tritium, a key component for our defense arsenals.

Just as with other successful companies, TVA has highly motivated, knowledgeable and proud employees. They have taken advantage of educational opportunities both inside and outside TVA. They are armed with up to date skills and they are ready to employ the latest technologies. TVA employees are excited. They are optimistic and they welcome the challenge of change. And they are eager to prove themselves in a competitive world. Much of the credit for this dynamic work force goes to the strong TVA management team. It has demonstrated itself to be innovative, flexible and unafraid of taking reasoned risk. The management team recognizes the competitive edge that technology affords, and are leaders in discovering ways to increase efficiency.

Because no one can tell the future the ability to quickly adapt to change is better than any crystal ball. Whatever the challenge I believe TVA has the right people to do the right thing at the right time. I am honored to work with the TVA leaders seated at your tables. They are smart, innovative, and ready to face the challenges of tomorrow. I hope you have had an opportunity to meet and get to know them. In particular I would like to recognize our finance and operating groups who under David Smith and Ike Zeringue have reinforced TVA's strong financial position, and have made TVA a benchmark of operating excellence. So I am here today as one of TVA's new Directors because I am confident that TVA has the qualities to be successful in the future.

As I have said, TVA has a history of adapting to change - it has highly motivated knowledgeable and proud employees. It has a strong management team. It also has the benefit of your support, especially those of you here today who have made our refinancing efforts so successful. With your continued support and the backing of the 370,000 investors throughout the world, TVA is powerfully positioned for the future. Thank you very much for your attention and I look forward to working with you.